

A method of compressing data is disclosed including applying a transform to the data to produce transformed data having a series of parts; entropy encoding the magnitude of the transformed data of at least one of said parts; and separately encoding the value of said transformed data. Preferably said entropy encoding utilizes the number of non-zero coefficients surrounding a spatial location of a corresponding transformed data value and the entropy encoding can include encoding the number of leading zeros in transformed data values. The method further includes quantizing transformed portions of said data to integer values including a sign bit and a predetermined number of coefficient bits. Ideally, the preferred embodiment includes wavelet transforming the data with each of the sub-band components of the wavelet transform being separately entropy encoded. The present invention is ideally suited to the compression of image data.

[illegible]